

1 JUDGE CHACHKIN: -- with the minutes?"

2 MR. JUGGERT: That wasn't raised.

3 JUDGE CHACHKIN: And when -- I, I -- were you the --
4 you prepared the minutes, apparently, of the Trinity meeting
5 of 1993.

6 MR. JUGGERT: That's right.

7 JUDGE CHACHKIN: And it didn't occur to you that
8 fact that there were no similar meeting -- minutes being
9 asked -- which you were being asked to prepare for National
10 Minority, that didn't --

11 MR. JUGGERT: No, because I was aware that, under
12 instructions from FCC counsel, the National Minority meeting
13 was to be held separately.

14 JUDGE CHACHKIN: When was you -- when were you so
15 advised?

16 MR. JUGGERT: That -- I, I believe that policy began
17 in 19, 1989, I believe.

18 JUDGE CHACHKIN: Well, so, notwithstanding that they
19 were held separately, you still, apparently, prepared the
20 minutes of the National Minority meetings.

21 MR. JUGGERT: Yes, I was.

22 JUDGE CHACHKIN: So in 1993, after you had prepared
23 the minutes of the Trinity meetings, it didn't occur to you
24 that the fact you had not been asked to prepare similar min-
25 utes for the National Minority?

1 MR. JUGGERT: No, it didn't because in the -- I'll
2 explain why.

3 JUDGE CHACHKIN: Go ahead.

4 MR. JUGGERT: In the past, when I wasn't around to
5 take, take minutes even of the Trinity corporations, Jane Duff
6 would take the minutes and, in fact, I think we produced some
7 that, that she took, and if she felt that I needed to review
8 them, she would send them over to me. For all, for all I
9 knew, there had been a meeting and Jane had kept the minutes.

10 JUDGE CHACHKIN: Go ahead, Mr. Cohen.

11 BY MR. COHEN:

12 Q Now here we are in January of 1994. Has Trinity
13 scheduled an annual meeting yet?

14 A Trinity has scheduled a meeting for 1994.

15 Q When is that to occur?

16 A I believe it's the 24th of January.

17 Q And, to your knowledge, has NMTV scheduled an annual
18 meeting for 1994?

19 A I, I haven't received notice.

20 Q Have -- has anyone told you about such a forthcoming
21 meeting?

22 A No.

23 Q And you haven't discussed it, that matter, with,
24 with Jane Duff?

25 A No, I haven't.

1 Q Nor have you discussed it with Paul Crouch.
2 A No.
3 Q Have you discussed it with anybody else?
4 A No.
5 Q Would you look at Volume 7 to Exhibit -- Bureau
6 Exhibit 405?
7 A I have it.
8 Q And that's an, an October 15, 1992 meeting.
9 A Yes.
10 Q Did you prepare those minutes?
11 A Yes.
12 Q And were you present at that meeting?
13 A Yes, I was.
14 Q And I now want to turn to a different subject.
15 Mr. Juggert, I want to turn to the subject of Community Brace,
16 which is a name you're familiar with, correct?
17 A Correct.
18 Q Did anyone ask your views, sir, on whether NMTV
19 should loan funds or cause funds to be loaned to Community
20 Brace, Inc.?
21 A I don't believe they did.
22 Q No one asked your views on that matter?
23 A The -- I was asked by individuals in National
24 Minority TV about various aspects of that transaction but I
25 don't know specifically about the loan.

1 Q Well, your views were sought about the transaction.

2 A Yes.

3 Q And so the record is clear, the meeting that we're
4 referring to, there was, there was a meeting which was the
5 subject of minutes of the board, and that's Exhibit 405,
6 Bureau Exhibit 405 --

7 A Right.

8 Q -- am I correct?

9 A Yes, that's correct.

10 Q Okay, insofar as I have been able to ascertain,
11 that's the only minute I've seen that deals with Community
12 Brace. Do you have -- are there other NMTV minutes that deal
13 with the subject of the loan for Community Brace?

14 A Not that I can think of.

15 Q So there came a time that you were consulted con-
16 cerning the transaction --

17 A Yes.

18 Q -- am I correct?

19 A Yes.

20 Q Okay, and that was after the meeting of
21 October 15th, is that your testimony?

22 A That's right.

23 Q And by whom were you consulted?

24 A From National Minority?

25 Q Yes.

1 A Jane Duff and Paul Crouch.

2 Q And what did they ask you?

3 A The -- to look into the propriety of the, of the
4 transaction to verify what, what had been told to us by the
5 proponents of the Community Brace proposition.

6 Q And you did that.

7 A I did that.

8 Q Now, there has been supplied in discovery, and has
9 been marked for identification in this proceeding, a document
10 we call -- it's Glendale Exhibit 218 --

11 MR. COHEN: -- and I wonder if you could put a copy
12 before the witness. Excuse me, I'm sorry.

13 MR. JUGGERT: Thank you.

14 MR. HOLT: Glendale 218 is now before the witness.

15 MR. COHEN: Thank you.

16 BY MR. COHEN:

17 Q Take, take as much time as you need but do you, do
18 you recognize that document --

19 A This, this --

20 Q -- that I put before you?

21 A Yes.

22 Q Okay, let me tell you how the document was assembled
23 and then I want to be very clear that the document that you
24 have before you was assembled from the, from the, the pieces
25 of paper that were supplied by my friend, Mr. Topel, in dis-

1 | covery. Now, am I correct? I have assumed by reviewing that
2 | document that the -- that, that it was your office that sup-
3 | plied this material to Mr. Topel, am I correct?

4 | A Yes, that's correct.

5 | Q And you assembled, you assembled these various
6 | pages. I want to also point out the numbers -- the num-
7 | bered -- the numbers on the bottom were put in there by me.
8 | They were not, they were not put in by, by you or your office.
9 | That's just -- those just -- those are just the numbers of the
10 | pages of the exhibit.

11 | A Right. I understand.

12 | Q So were you the one who was responsible for assem-
13 | bling the pieces of paper that make up Exhibit 218?

14 | A No, I -- not assembling them. I sent to Mr. Topel
15 | everything I had in my file.

16 | Q Okay, that was my question. In other words, you
17 | sent Mr. Topel everything you had in your file relating to
18 | Community Brace.

19 | A Yes.

20 | Q And I think the record will reflect, and Mr. Topel
21 | will correct me, that inadvertently we omitted one page, and I
22 | want to make sure the witness is aware of that page.

23 | MR. COHEN: Or page, or pages, or was it more than a
24 | couple? But I want the witness to --

25 | MR. TOPEL: Yeah.

1 MR. COHEN: -- to know that.

2 MR. TOPEL: TBF Exhibit 117 is an exhibit that was
3 produced to Mr. Cohen, and at the time it was introduced some
4 question was raised whether it had been produced by us, and I
5 think Mr. Cohen is now confirming that --

6 MR. COHEN: Yeah, I --

7 MR. TOPEL: -- it was.

8 MR. COHEN: I'm, I'm going to concede that if you
9 tell me that it was. You said it was.

10 MR. TOPEL: You even -- you checked and verified
11 that it was --

12 MR. COHEN: Yes.

13 MR. TOPEL: -- and it was. It clearly was produced.

14 MR. COHEN: Okay.

15 MR. TOPEL: But on the subject, Your Honor, I
16 believe the record should be clear in light of a characteriza-
17 tion that we produced a much larger volume of documents than
18 appears in the compendium, and, and I wouldn't want there to
19 be an implication that, that the compendium is all
20 Mr. Juggert's documents or all the documents we produced.

21 MR. COHEN: All right, well, I'll --

22 MR. TOPEL: If, if we want a clear record, I'll be
23 happy to explain where these documents came from.

24 MR. COHEN: That's not necessary from my point of
25 view, Your Honor. I don't --

1 JUDGE CHACHKIN: All right, then --

2 MR. COHEN: All I want to ask, just so the witness
3 is clear, is --

4 BY MR. COHEN:

5 Q -- spend as much time and, and satisfy yourself that
6 the documents which make up Glendale Exhibit 218 for identifi-
7 cation all came from, from your files. That's all I want
8 to --

9 A I've seen this before and they do.

10 Q That's all I really need to ask.

11 JUDGE CHACHKIN: Your answer was "they do."

12 MR. JUGGERT: Yes.

13 JUDGE CHACHKIN: Okay.

14 BY MR. COHEN:

15 Q Now, do you know, and I recognize that you are not
16 appearing here as counsel but as a witness, but do you have
17 knowledge as to why this material was not submitted in discov-
18 ery earlier?

19 A No, I don't.

20 Q When were you asked to produce this material?

21 A After my deposition.

22 Q Will you look at page 1 of this document, which is
23 on the letterhead of your law firm and it's dated, and it's
24 dated October 14, 1992?

25 A Yes.

1 Q Would you explain this page to me? I don't under-
2 stand it. By, by explain it, I mean the message.

3 A The message was to a gentleman I met, E.V. Hill, and
4 those associated with him, and I had prepared an agreement
5 that was to be signed by Community Brace as well as instruc-
6 tions to First Interstate Bank for issuing a letter of credit,
7 and wanted them to, to, to see the agreement, and review it,
8 and let me know how they felt. The First Interstate document
9 was just to let them know that we were proceeding.

10 Q And the stock value that you reference as based on a
11 \$14.80-per-share, what stock are you referring to?

12 A The -- this would have been stock in the Community
13 Brace Corporation based on the investment. California, when
14 you issue stock, you need to put a, a value on the stock.

15 Q And would you explain page 5, which is a certified
16 copy of the corporate resolution?

17 A That was prepared for the benefit of First
18 Interstate Bank. It was going to issue the letter of credit.

19 MR. COHEN: Your Honor, I'd like to offer into
20 evidence Glendale Exhibit 218.

21 JUDGE CHACHKIN: It has already been received.

22 MR. COHEN: I didn't know it was received. I
23 thought it was, I thought it was marked.

24 JUDGE CHACHKIN: No, I believe it's been received.

25 MR. COHEN: Then I didn't, I didn't realize it.

1 MR. TOPEL: Mr. Cohen, are you finished with the
2 exhibit?

3 MR. COHEN: No, I'm not.

4 JUDGE CHACHKIN: My records indicate it has been
5 received.

6 MR. COHEN: Well, then, then, then that's moot --

7 JUDGE CHACHKIN: All right.

8 MR. COHEN: -- and I'm sorry. I didn't know that.

9 JUDGE CHACHKIN: All right.

10 MR. COHEN: Okay.

11 BY MR. COHEN:

12 Q I'd like to -- now, I want to ask some -- I have
13 some -- a few questions about the document. It's true, about,
14 about the document and about related matters, it's true, isn't
15 it, Mr., Mr. Juggert, that E.V. Hill had a financial interest
16 in Community Brace.

17 A Well, he didn't have one. It was proposed that he
18 have one.

19 Q It --

20 A Not by us.

21 Q Is it your testimony that he did not have a -- he
22 did not have a financial interest in Community Brace as of the
23 time -- as of October 15, 1992?

24 A As of that date, he may have been a, a director or
25 an officer but he was not a shareholder.

1 Q But he was a director and an officer.

2 A Then he was proposed to be a shareholder.

3 Q So he had a financial interest in Community Brace as
4 of October 15, 1992.

5 A That's, that's correct.

6 Q And isn't it true that if the transaction had been
7 approved, that is, the transaction which is the, the subject
8 of the October 15th minute, if that transaction had have been
9 approved, there would have been financial remuneration to
10 E.V. Hill?

11 A Assuming that the business was profitable, the
12 Community Brace business.

13 Q Now, at your deposition on September 23, page 175,
14 line 19, I asked you, "Didn't he --" referring to E.V. Hill --
15 "didn't he have a financial interest in Community Brace?" And
16 your answer was, on line 21, "Only to the extent that he might
17 be paid as an officer or employee of it."

18 A Because he wasn't a shareholder at that time.

19 Q Now, isn't it true that pursuant to the project as
20 presented by Community Brace to NMTV and to TBN, Community
21 Brace would have the authority to determine the amount of
22 compensation paid to Community Brace's board members and
23 staff?

24 A That's true.

25 (Pause.)

1 BY MR. COHEN:

2 Q Now, a man named Cal Burton, is that who --

3 A Cal Burton.

4 Q He was also an officer and director of Community
5 Brace, am I correct?

6 A That, that's correct.

7 Q Okay, and Mr. Burton was present at the October 15,
8 1992, meeting of NMTV, wasn't he?

9 A Yes.

10 Q And his presence is not noted in the, in the min-
11 utes. Was that -- is that correct?

12 A I, I'd have to take a look at them to see.

13 Q Sure, why don't you do that? And this is Exhibit --
14 excuse me, 405.

15 A I think it's 404.

16 Q 404. Well --

17 MR. TOPEL: 405.

18 MR. COHEN: I think it's 405 but I --

19 MR. TOPEL: 405.

20 MR. JUGGERT: Is it 405?

21 MR. COHEN: -- I, I could be wrong.

22 MR. JUGGERT: Okay.

23 BY MR. COHEN:

24 Q And I note that his attendance is not mentioned in
25 the, in the minutes, am I correct? The document obviously

1 speaks for itself but this is just to satisfy you.

2 A That's correct.

3 Q And why was his presence not noted?

4 A I don't know. To tell you the truth, when I
5 prepared these after the fact I may, may not have recalled his
6 name, but I remembered E.V. Hill's name.

7 Q How much time would you say you devoted to this
8 project? That is, the matter of the project of looking into
9 this whole matter.

10 A All told, I would -- this is my best estimate, would
11 be somewhere between 20 to 40 hours over a number of months.

12 Q Now, you prepared the resolution which proposed to
13 go forward with this transaction, am I correct?

14 A Yes, I was very enthusiastic about it.

15 Q And that's the resolution which is dated October 15,
16 1992.

17 A Right.

18 Q Am I correct that no subsequent action was taken by
19 NMTV to rescind this resolution?

20 A No, there, there was no necessity to rescind it.
21 It's an authorization, not a mandate.

22 Q Who made the, the recommendation that NMTV and
23 Trinity not go forward with this transaction?

24 A Trinity's IRS audit accountant, Jim Guinn. As well
25 as Trinity's own auditors, California auditors.

1 Q And who were they?

2 A Goodrich and Goodyear. I think it's now Goodrich,
3 Goodyear, and Hines.

4 Q Now, tell me why NMTV and Trinity did not go forward
5 with this transaction.

6 A Well, let me address Trinity first of all.
7 Trinity's position in this was a lender. National Minority TV
8 did not have the funds to, to do the transaction itself, and
9 the transaction required a million and a half dollars. When
10 we had our original board meeting, we were informed that the
11 situation could be one where Trinity or where National
12 Minority could loan the money to Community Brace, and that
13 that loan could be secured by all of the assets of Community
14 Brace, which would mean its bank account. We were also told
15 that the government would immediately match the contribution
16 of, of National Minority which would -- it would have received
17 from Trinity with a million and a half dollars, and that would
18 have been followed up with another million and a half dollars,
19 so we would have had \$3,000,000 to start with independent of
20 Trinity money. We were told that, that a short, short time
21 down the road after that occurred, we could be up to
22 5,000,000. I subsequently met with Curt Smothers, who was
23 represented to me to be an attorney from Washington, DC, who
24 was familiar with small business investment companies, and was
25 representing the Community Brace group. Mr. Smothers had a

1 | long meeting with me and informed me that there was no way
2 | that this could be done on the basis of a loan. It had to be
3 | done on the basis of an investment; that the million and a
4 | half dollars from the, the Small Business Administration would
5 | not be forthcoming until we'd spent at least \$1,000,000 of the
6 | investment money and an audit had occurred, and then if we
7 | were -- the Community Brace was approved in an audit, then the
8 | government would consider putting up the million and a half
9 | dollars and the 3,000,000 that we were told about would not be
10 | forthcoming, nor would the 5,000,000. Mr. Smothers also told
11 | me that the, that the Small Business Administration required
12 | that any lender to a project like this have assets, those
13 | would be hard assets, that would be double the amount of its
14 | indebtedness, which was another goal that would, would have
15 | been virtually impossible for National Minority, National
16 | Minority to, to meet. Mr. Smothers also advised me that if we
17 | really wanted to be successful at this, that we needed to put
18 | up 5 to 7 million dollars because it would take that kind of
19 | working capital. I then went to the, to, to the auditors and
20 | presented the facts to them and Mr. Jim Guinn, the auditor,
21 | informed me that for Trinity Broadcasting, Trinity Christian
22 | Center, to make this loan would be a breach of the fiduciary
23 | duties of, of the officers because it was an unsecured loan in
24 | a very, very risky business. These were, were -- the money
25 | would have been spent for loans for people who would not

1 | qualify for normal bank loans. His comment was the board of
2 | directors of Trinity Christian Center as fiduciaries handling
3 | money from donors that expect it to, to go for "religious
4 | purposes" would have cause to be very, very upset, and we
5 | would possibly get in trouble with the IRS. He also was
6 | concerned about the fact that Reverend Hill was going to be a
7 | shareholder because that brings in what is known as the endur-
8 | ement issue. That means that, that you cannot use a nonprofit
9 | to benefit a person who is a principal of the nonprofit in a
10 | manner that would, would give him the potential for unlimited
11 | income. For example, Paul Crouch wrote a book. He had to
12 | donate it to Trinity Broadcasting before Trinity could publi-
13 | cize it because it had the potential of bringing unlimited
14 | royalties to him. So that was a, a consideration. The,
15 | the -- I took it to our own auditors, and our own auditors
16 | looked at the financials, the pro forma, and said, "These just
17 | do not make sense," and they brought to my attention
18 | California Corporations Code Section 500 and Section 501,
19 | which require that before you can make any distribution for --
20 | to shareholders, before you can do that, the corporation has
21 | to have in its count, in its count, retained earnings, and
22 | those are very strictly defined, that are equal to the amount
23 | of the distribution. So before any money could be paid back,
24 | that -- those funds would have had to -- and this would have
25 | been from an investment -- there would have had to have been

1 | that amount of money in, in the bank. Section 500 --
2 | Section 5B, 500B, of that same code section says that you need
3 | to have assets equal to 1 1/4 times the amount of any, any,
4 | any distribution you make, which National Minority didn't
5 | have. It had very little assets, and so all of this added up
6 | to the fact that it was an extremely risky venture that we, we
7 | stood to lose the, the tax exemption of two corporations, to
8 | get in trouble with our donors. There was just no way it
9 | could go forth as, as propounded.

10 | Q Thank you. Was the information that you've just
11 | given me in the last several minutes ever made known to all of
12 | the board members of NMTV?

13 | A It was made known to, to Paul Crouch and to, to
14 | Jane Duff.

15 | Q Yes, what about the remaining board members?

16 | A It would have been made known to, to
17 | Reverend E.V. Hill through Paul Crouch. I informed
18 | Paul Crouch and asked him to call E.V. Hill and he told me
19 | that he did.

20 | Q Was it made known to Reverend Aguilar?

21 | A I, I don't know about Reverend Aguilar.

22 | MR. TOPEL: Your Honor, may I just ask for a clari-
23 | fication with your indulgence?

24 | JUDGE CHACHKIN: Go ahead.

25 | MR. TOPEL: The witness's answers to Mr. Cohen's

1 question, on a few occasions he referred to NMTV but I think
2 in context he may have been meaning Community Brace.

3 MR. COHEN: Well, I -- Your Honor --

4 MR. TOPEL: I think it might be appropriate to
5 clarify that now.

6 MR. COHEN: I think that's, I think that's on redi-
7 rect, Your Honor.

8 JUDGE CHACHKIN: All right, we'll do it on redirect.

9 MR. COHEN: Yeah, because I wasn't aware of it and I
10 think it's best to do that on redirect.

11 BY MR. COHEN:

12 Q To your knowledge, the information that you've just
13 testified to, was it ever prepared in written form and submit-
14 ted to the board of directors of NMTV?

15 A It was submitted in the, in the form of, of memo,
16 which I think is in the, in the documents here that refer to
17 the audit of, of, of Mr. Guinn.

18 Q Could you find that?

19 A Along with, along with the comment of Mr. --

20 Q Could you find that for me?

21 A Yes.

22 Q Thank you very much for your help.

23 A This would be item number 11 and 12, pages 11 and
24 12. It's a memo addressed to Paul Crouch, Jane Duff, and
25 Terry Hickey.

1 Q I see. Now, tell me, why did you address that memo
2 to those, to those persons?

3 A Because Paul Crouch was a member of both Trinity
4 Christian Center and National Minority; Jane Duff was a, a
5 director and officer of, of National Minority; and
6 Terry Hickey was the one who was arranging the financing
7 through First Interstate Bank.

8 Q And why did you not address this to
9 Reverend Aguilar, also?

10 A I, normally -- that -- this, this type of memo would
11 have, would have been dispensed, dispensed from Jane or Paul's
12 office to other board members.

13 Q And why was Reverend Hill, who was also a director
14 of, of NMTV not --

15 A I, I don't --

16 Q -- sent a copy?

17 A I don't, I don't know if -- I didn't send one. It
18 just wasn't my normal policy.

19 Q To your knowledge, was a copy of this October 26,
20 1992, memorandum from you ever supplied to Reverend Aguilar?

21 A No, it wasn't supplied by me to Reverend Aguilar.

22 Q Was it ever supplied by anyone to Reverend Aguilar?

23 A I don't know.

24 Q To your knowledge.

25 A I don't know.

1 Q You have no knowledge that it was, do you?

2 A No, I don't.

3 Q And you have no knowledge that it was ever supplied
4 to Reverend Hill, do you?

5 A I know that the, the information was provided to
6 Dr. Hill by Paul Crouch because Paul told me.

7 Q But you have no knowledge that this document was
8 submitted.

9 A No, I don't.

10 Q Now, weren't you acting as NMTV's attorney in this
11 transaction?

12 A No, I was acting, I was -- I was acting as attorney
13 for Trinity Christian Center. There were issues that over-
14 lapped that I, that I alerted National Minority to.

15 Q So it's your testimony that in connection with the
16 various documents that, that you authored that are submitted
17 as part of Glendale Exhibit 218, you weren't acting on behalf
18 of NMTV, is that your testimony, Mr. Juggert?

19 A No, I was, I was acting on behalf of, of Trinity
20 Christian Center, but I kept NMTV informed because they were
21 dependent upon the money from Trinity to go forward. I wanted
22 to bring other -- one other thing here. There's a
23 January 6th, 1983 -- 1993 letter?

24 Q Where is that, sir?

25 A It's document number 80 and 81.

1 Q Let me find you the -- yes.

2 A That letter, as you see, has a "cc" and that was
3 sent to Reverend Hill.

4 Q Yes, I, I noticed that.

5 A And to --

6 Q Why was it sent to Reverend Hill?

7 A I think I probably located his address by that time.

8 Q Why was it not sent to Reverend Aguilar?

9 A Probably because Reverend Aguilar, as I recall, was
10 not present at the original meeting and hadn't been involved
11 directly in this, in this transaction. I would mention, also,
12 that this exhibit does not include documents that are refer-
13 enced in it that I, I produced.

14 Q I, I, I'll accept that.

15 A Those are the code sections I've referred to.

16 Q Yeah, I'll accept that. Now, I want to ask you
17 about pages 18 and 19 which, which were a draft of an agree-
18 ment between NMTV and Community Brace. Do you see that?

19 A Yes.

20 Q And you prepared that agreement, didn't you?

21 A Yes, I did.

22 Q And wasn't that prepared on behalf of NMTV?

23 A NMTV would have been the signatory to it but it was
24 a condition, an agreement like this, was a condition of
25 Trinity loaning money.

1 (Pause.)

2 BY MR. COHEN:

3 Q Now, am I correct in understanding your testimony
4 that because of the various reasons you described a decision
5 was made not to go forward and, and loan or invest funds with
6 Community Brace?

7 A That's true.

8 Q Now, did NMTV, did the NMTV board, ever make a
9 decision that it did not wish to go forward and complete this
10 transaction?

11 A Only informally.

12 Q And by "informally" you mean what?

13 A The decision that was made. I, I know that there
14 was an agreement between Jane Duff, Dr. Hill, and Paul Crouch.

15 Q But there was no NMTV minute or resolution prepared
16 reflecting that decision.

17 A No, there wasn't.

18 Q I'd like to turn to a different subject.

19 MR. TOPEL: Your Honor, while we're on this subject,
20 he could clarify something. Page 55 of Glendale Exhibit 218,
21 in the second paragraph there is a section that's bracketed --

22 MR. COHEN: And that, and that bracket was made --
23 thank you, and I, I neglected to point that out. Your point
24 is very well taken. I appreciate your raising this.
25 Your Honor, that was, that was made by someone in our office

1 and that was not part of the original document.

2 JUDGE CHACHKIN: All right.

3 MR. TOPEL: I just wanted to have that clarified.

4 Thank you.

5 MR. COHEN: And I, and I meant to do that and it
6 slipped my mind, and I'm grateful to you for bringing that to
7 the attention -- to my attention.

8 BY MR. COHEN:

9 Q Would you agree that NMTV is a nonprofit religious
10 corporation engaged in Christian television?

11 A And other things. The articles say primarily but
12 not exclusively.

13 Q Well, let's see if we can find that. That would be
14 Exhibit 7.

15 MR. TOPEL: Volume 1.

16 BY MR. COHEN:

17 Q I, I may be in the, in the wrong --

18 A You're right, Exhibit 7.

19 Q Yes, but I may --

20 A The articles.

21 Q I'm look -- yeah, I'm looking for -- bear with me 1
22 second.

23 (Pause.)

24 BY MR. COHEN:

25 Q I want to direct your attention to the Application

1 for Recognition of Exemption. It's the Form 1023. Let me
2 find out what -- that, that would be Bureau Exhibit 13, and
3 this document was prepared -- first find it, please.

4 A I found it.

5 Q Okay, you've already testified, Mr. Juggert, that
6 this document was prepared by you, am I correct?

7 A You're correct.

8 Q Okay, and I want you to direct your attention to
9 paragraph 3 on page 2.

10 A Yes.

11 Q And am I reading this accurately when it states,
12 "The organization was formed to provide Christian television
13 programs over UHF channels throughout the United States"?

14 A Yes.

15 Q Does it say anything else concerning the reason why
16 the organization was formed?

17 A That the information provided there was what was
18 required as far as the IRS was concerned. It's a religious
19 corporation and we had to show that it was going to be engaged
20 in religious activities, where its money was going to come
21 from.

22 Q Now let me ask you --

23 JUDGE CHACHKIN: You're not aware of any document,
24 are you, sir, of any kind which sets forth a purpose other
25 than the religious purpose enunciated in the articles and in

1 | this tax document?

2 | MR. JUGGERT: No, I'm not, and there's a -- some
3 | very, very good legal reasons why I didn't.

4 | JUDGE CHACHKIN: Why -- it never was included in any
5 | document of any kind by the corporation?

6 | MR. JUGGERT: If -- I could, I could enlarge upon
7 | that if the court would please.

8 | JUDGE CHACHKIN: Yes, go ahead.

9 | MR. JUGGERT: Okay, there were two interesting cases
10 | in California in the 1970's. One of particular interest in
11 | the late seventies entitled Queen of Angels vs. Younger.
12 | Younger was then the attorney general of, of California,
13 | Evelle Younger. Younger brought a suit against the Queen of
14 | Angels Hospital, which was a charitable nonprofit hospital,
15 | because this hospital had attempted to operate health clinics
16 | for the poor in South Central LA where people would be pro-
17 | vided with medical service free. Evelle Younger sued Queen of
18 | Angels and claimed that they were going beyond the, the powers
19 | that were set forth in their articles of incorporation because
20 | they said that they were going to be a hospital. The articles
21 | had broader language, what I would call "zone of comfort"
22 | language, and at that time back in the seventies it was common
23 | for nonprofits in California to list a litany of purposes. If
24 | you look at the broad -- the, the, the articles of, of Trinity
25 | Christian Center of Santa Ana, it has a litany of purposes.